Financial Statement
2000-2001

Cumberland
Regional College

102-01353/

Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Cumberland Regional College for the year ending June 30, 2001.

Respectfully submitted,

Pat Lorjé, Minister
Post-Secondary Education and Skills Training

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2001

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2001 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2001 and the results of its operations and the changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Neumann & Neumann
Chartered Accountants

Nipawin, Saskatchewan
September 10, 2001

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2001

Statement 1

	2001			2000
	Operating	Capital	Total	Total
ASSETS				
Current Assets				
Cash and temporary investments	$ 468,113	$ 545,187	$1,013,300	$1,348,888
Accounts Receivable (note 3)	221,111	--	221,111	213,047
Prepaid expenses	10,166	--	10,166	14,042
	699,390	545,187	1,244,577	1,575,977
Investments (note 4)	500,000	--	500,000	500,000
Capital Assets (note 5)	--	1,005,350	1,005,350	1,061,995
	$1,199,390	$1,550,537	$2,749,927	$3,137,972
LIABILITIES				
Current Liabilities				
Accounts payable (note 7)	$ 98,303	$ --	$ 98,303	$ 84,878
Salaries payable	--	--	--	31,600
Accrued vacation payable	88,193	--	88,193	75,492
Deferred revenue (note 8)	523,880	--	523,880	626,212
	710,376	--	710,376	818,182
FUND BALANCES				
Invested in capital assets	--	1,005,350	1,005,350	1,061,995
Internally restricted as reserves (schedule 4)	156,050	545,187	701,237	776,719
Unrestricted	332,964	--	332,964	481,076
	489,014	1,550,537	2,039,551	2,319,790
	$1,199,390	$1,550,537	$2,749,927	$3,137,972

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2001

Statement 2

	Operating			Capital		Total	
	(Note 11) Budget	2001	2000	2001	2000	2001	2000
Revenues (Schedule 1)							
Saskatchewan Post-Secondary Education and Skills Training	$2,281,031	$2,448,443	$2,414,367	$ 326,000	$ --	$2,774,443	$2,414,367
Federal Government	15,000	25,404	30,750	--	--	25,404	30,750
Other Revenue	505,410	784,201	741,565	--	--	784,201	741,565
Total revenues	2,801,441	3,258,048	3,186,682	326,000	--	3,584,048	3,186,682
Expenses (Schedule 2)							
Contractual and Professional Services	727,191	730,964	870,690	326,000	--	1,056,964	870,690
Rentals	161,320	164,316	158,835	--	--	164,316	158,835
Repairs and Maintenance	24,508	6,615	11,542	--	--	6,615	11,542
Amortization	--	--	--	125,756	146,266	125,756	146,266
Operating Expenses (Schedule 3)	436,302	459,933	464,598	--	--	459,933	464,598
Personal Services	1,840,196	2,050,703	1,723,700	--	--	2,050,703	1,723,700
Total expenses	3,189,517	3,412,531	3,229,365	451,756	146,266	3,864,287	3,375,631
Excess/(deficiency) of revenues over expenses	$ (388,076)	$ (154,483)	$ (42,683)	$ (125,756)	$ (146,266)	$ (280,239)	$ (188,949)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001

Statement 3

	Invested in capital assets	Internally restricted assets	Unrestricted assets	2001 Total	2000 Total
Balance, beginning of the year	$1,061,995	$ 776,719	$ 481,076	$2,319,790	$2,508,739
Excess/(deficiency) of revenue over expenses	(125,756)	--	(154,483)	(280,239)	(188,949)
Investment in capital assets (note 9)	69,111	--	(69,111)	--	--
Transfers between funds (note 9)	--	(75,482)	75,482	--	--
	$1,005,350	$ 701,237	$ 332,964	$2,039,551	$2,319,790

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001 **Statement 4**

	2001			2000
	Operating	Capital	Total	Total
CASH PROVIDED BY (USED IN):				
Operating Activities				
Excess (deficiency) of revenue over expenses	$ (154,483)	$ (125,756)	$ (280,239)	$ (188,949)
Expenditure not requiring outlay of cash:				
Amortization	--	125,756	125,756	146,266
Net change in non-cash working capital (note 10)	(111,994)	--	(111,994)	179,430
	(266,477)	--	(266,477)	136,747
Investing Activities				
Purchase of capital assets	--	(69,111)	(69,111)	(83,349)
Decrease in investments	--	--	--	100,000
	--	(69,111)	(69,111)	16,651
Increase (decrease) in cash during year	(266,477)	(69,111)	(335,588)	153,398
Cash and temporary investments, beginning of year	803,701	545,187	1,348,888	1,195,490
Interfund transfers (note 9)	(69,111)	69,111	--	--
Cash and temporary investments, end of year	$ 468,113	$ 545,187	$ 1,013,300	$ 1,348,888

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*.

The Board of the Cumberland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition cont'd

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2001	2000
Saskatchewan Post-Secondary Education and Skills Training	$164,895	$133,920
SIAST	--	1,675
Federal government	10,401	36,278
Other	45,815	41,174
	$221,111	$213,047

4. INVESTMENTS

Investments consist of:

	Interest Rate	Maturity Date	2001	2000
Sask Savings Bond	6.75%	July, 2000	$ --	$100,000
Sask Savings Bond	5.50%	July, 2001	150,000	150,000
Sask Savings Bond	5.00%	July, 2003	250,000	250,000
Sask Savings Bond	5.75%	July, 2005	100,000	--
			$500,000	$500,000

5. CAPITAL ASSETS

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 973,612	$ 242,449	$ 731,163	$ 779,844
Leasehold improvements	222,383	62,608	159,775	170,864
Furnishings/ equipment	507,100	392,688	114,412	111,287
Vehicles	23,486	23,486	--	--
	$1,726,581	$ 721,231	$1,005,350	$1,061,995

6. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs - the lease is negotiated annually):

2002	$18,750

7. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2001	2000
Province of Saskatchewan	$ 761	$ 9,294
Federal government	59,273	44,503
Other	38,269	31,081
	$ 98,303	$ 84,878

8. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2001	2000
Saskatchewan Post-Secondary Education and Skills Training	$523,880	$626,212

9. INTERFUND TRANSFERS

In 2001, the Board internally restricted and transferred from the operating fund $12,855 (2000-$88,686) for future operations. These internally restricted amounts are not available for unrestricted purposes without approval of the Board. The Board approved the transfer of $0 (2000-$24,906) from internally restricted funds to the capital fund for capital asset purchases and $88,337 (2000-$496,250) to be transferred to the operating fund. Also the Board approved the transfer of $69,111 (2000-$58,443) for the purchase of capital assets.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2001	2000
Accounts receivable	$ (8,064)	$(28,778)
Prepaid expenses	3,876	(481)
Accounts payable, salaries payable and accrued vacation payable	(5,474)	537
Deferred revenue	(102,332)	208,152
Net increase (decrease) in cash	$(111,994)	$179,430

11. BUDGET AMOUNTS

The budget was prepared by regional college management with Board approval given on May 23, 2000.

12. RELATED PARTY TRANSACTIONS

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at agreed rates with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	2001	2000
SaskTel expenses	$ 56,738	$ 54,390
Sask Property Management Corp. expenses	57,560	40,107
	$114,298	$ 94,497

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

(a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable, salaries payable, and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair value of investments is considered to approximate market value which is $500,000 (2000 - $500,000).

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. PENSIONS

Employees of the college participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $42,891 (2000 - $35,125).

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2001

Schedule 1

	Administration	Programming							
	General Revenue	Community & Individual Development	Basic Education	Vocational Technical	University Credit	Career Services	2001 Total	2001 Budget	2000 Total
Post-Secondary Education and Skills Training									
Admin Recovery	$ 116,767	$ --	$ 3,365	$ 39,229	$ --	$ --	$ 159,361	$ 170,995	$ 128,150
Base Grant	796,900	--	--	--	--	--	796,900	699,376	631,015
Program Payments	--	5,583	450,347	882,696	--	1,758	1,340,384	1,308,160	1,457,843
Regional Services Branch Payments	20,000	--	3,895	--	--	105,643	129,538	85,000	147,359
Other	--	--	15,000	--	--	7,260	22,260	17,500	50,000
	933,667	5,583	472,607	921,925	--	114,661	2,448,443	2,281,031	2,414,367
Federal Government									
Admin Recovery	--	--	1,549	--	--	--	1,549	--	--
Seat Purchases	--	--	--	--	--	--	--	--	2,853
Projects	--	--	23,855	--	--	--	23,855	--	14,022
Other	--	--	--	--	--	--	--	15,000	13,875
	--	--	25,404	--	--	--	25,404	15,000	30,750
Other									
Admin Recovery	--	--	--	--	9,250	--	9,250	10,150	12,420
Contracts	--	74,917	30,837	--	83,250	4,289	193,293	105,850	212,261
Interest	114,420	--	--	--	--	--	114,420	54,500	117,730
Rents	815	--	--	--	--	--	815	--	5,238
Resale Items	1,394	18,867	--	50,223	43,340	75	113,899	84,500	99,512
Tuitions	--	100,903	--	214,740	--	--	315,643	239,410	260,917
Other	8,605	--	108	16,665	3,037	8,466	36,881	11,000	33,487
	125,234	194,687	30,945	281,628	138,877	12,830	784,201	505,410	741,565
Total Revenue	1,058,901	200,270	528,956	1,203,553	138,877	127,491	3,258,048	2,801,441	3,186,682
Total Expense (Schedule 2)	1,115,082	125,458	432,112	996,226	258,747	484,906	3,412,531	3,189,517	3,229,365
Excess/(deficiency) of revenue over expenses	$ (56,181)	$ 74,812	$ 96,844	$ 207,327	$(119,870)	$(357,415)	$ (154,483)	$ (388,076)	$ (42,683)

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2001

Schedule 2

	General Administration			Programming							
	Board	Administrative	Organizational	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	2001 Total	2001 Budget	2000 Total
Contractual and Professional Services	$ --	$ 7,145	$ 12,519	$ 17,909	$ 2,496	$619,784	$ 60,126	$ 10,985	$ 730,964	$ 727,191	$ 870,690
Rentals	226	9,224	49,136	1,846	6,001	36,950	3,658	57,275	164,316	161,320	158,835
Repairs and Maintenance	--	--	6,401	--	--	88	126	--	6,615	24,508	11,542
Operating (Schedule 3)	25,514	35,613	135,243	51,598	28,866	76,268	67,083	39,748	459,933	436,302	464,598
Personal Services	17,785	275,076	541,200	54,105	394,742	263,136	127,754	376,898	2,050,703	1,840,196	1,723,700
	$ 43,525	$327,058	$744,499	$125,458	$432,112	$996,226	$258,747	$484,906	$3,412,531	$3,189,517	$3,229,365

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001

Schedule 3

	2001 Total	2000 Total
Advertising	$ 47,793	$ 58,644
Association Fees and Dues	7,830	8,003
Bank Charges and Interest	549	722
Computer Software	6,924	12,532
Conference and Training Fees	8,633	6,659
Insurance	6,929	7,242
Materials and Supplies	65,416	76,294
Postal, Freight and Courier	10,509	9,303
Printing and Duplicating	25,392	3,224
Resale Items	116,600	103,910
Subscriptions	2,163	1,708
Telephone and Fax	56,738	61,693
Travel	81,932	79,965
Utilities	8,687	7,140
Other	13,838	27,559
	$459,933	$464,598

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF INTERNALLY RESTRICTED FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001

Schedule 4

	Balance, beginning of the year	Appropriations from unrestricted net assets	Transfers to Other Funds	Balance, end of the year
Operating Fund				
Student Services	$ 4,000	$ --	$ 2,963	$ 1,037
Professional Development	19,192	--	4,141	15,051
Personal Professional Development	--	12,855	--	12,855
25th Anniversary Marketing	2,800	--	2,800	--
One Client Service Model	50,000	--	37,829	12,171
Strategic Plan Implementation	18,350	--	--	18,350
Class Plan Implementation	52,948	--	--	52,948
Basic Education Special Needs Tutors	28,000	--	28,000	--
Learning Centre	35,058	--	--	35,058
Basic Education - Tisdale	2,684	--	2,684	--
Learner Services - Tisdale	8,500	--	8,500	--
Public Relations	10,000	--	1,420	8,580
	231,532	12,855	88,337	156,050
Capital Fund				
Tech Lab - Tisdale	15,498	--	--	15,498
Capital	529,689	--	--	529,689
	545,187	--	--	545,187
	$ 776,719	$ 12,855	$ 88,337	$ 701,237

CUMBERLAND REGIONAL COLLEGE
OVER $20,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2001
UNAUDITED

The Co-operators	$75,479
S.I.AS.T. Kelsey Campus	$34,339
The Milky Way	$22,586
Melfort School Division #100	$367,129
Municipal Employees Pension Plan	$85,782
Nipawin School Division	$34,977
S.I.A.S.T. Woodland Campus	$142,810
Melfort Journal	$22,924
SaskFor McMillian Ltd.	$180,000
Receiver General	$580,621
Sask. Property Management Corp.	$57,560
Sask. Government Employees Union	$39,307
SaskTel	$56,738
Teachers' Superannuation Fund	$26,790
S.I.A.S.T. Palliser Campus	$107,684
University of Saskatchewan	$104,502
S.I.A.S.T. Wascana Campus	$63,496
Other	$553,685
Total	$2,556,410

CUMBERLAND REGIONAL COLLEGE
OVER $2,500 SALARY AND PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2001
UNAUDITED

Diane Barnett	$3,380
David Bone	$4,246
Richard Bueckert	$3,390
Lori Constant	$9,120
Mary Hardwicke	$3,692
Dara McMunn	$43,320
Diane Muir	$6,944
Valerie Mushinski	$80,046
Betty Lou Palko	$5,218
Lianne Relland	$34,536
Don Scott	$3,060
Leslee Serack	$63,172
Maurice Taylor	$3,825
Rosemary Vanherk-Auger	$3,340
Total Unionized Employees	$1,507,489
Total Personal Services	$1,774,779